

**CMS/CTAC LEAP Initiative
Issue Paper #2: Year 1 Payout Criteria
December 17, 2007**

Introduction/Background

During the past three months, CTAC has worked closely with the Steering Committee and other district leaders participating in the Working Groups and an Ad Hoc Committee to formulate the details of Year 1 implementation of the TIF Grant, and set up the structures for project planning and governance to guide pilot development and implementation through Years 2 – 5.

The Steering Committee initially confronted the problems identified with the inclusion of “High School Challenge” schools in the Year 1 pilot (See memo dated: October 26, 2007). The resolution of those issues led to the re-ordering of schools entering the pilot, with the 4 high schools initially identified for Year 1 now entering in Year 3, and schools previously named as entering in Years 2 and 3, moving up into years 1 and 2. This change, however, led to another set of challenges for the Steering Committee to address.

Looking at the new set of Year 1 pilot schools, the Steering Committee considered the projected number of teachers and administrators that might realistically receive the merit-based supplement in Year 1, using the criteria for performance-based pay at the level set by the original grant proposal. The Steering Committee continues to believe that the basic design for Year 1 provides a transition from past, familiar performance-based programs of the district and creates a clear linkage to the district's new strategic plan goals for student achievement. However, Steering Committee members were concerned that test data for 2006-7 (recently available) indicated that had the program been in place last year, very few teachers at the new, Year 1 schools would have reached those levels. Considering the criteria and the distance to be bridged, it was determined by the Steering Committee that even under a best-case scenario of improvements at the classroom level, the number of teachers and administrators likely to qualify in the 2007-8 school year (TIF Year 1) would be low. Moreover, a small number of awards in Year 1 of the pilot would be detrimental to the process of building the required trust and confidence to involve teachers in improving the design and creating a pathway for a more effective compensation system in Years 2-5 of the pilot.

Therefore, the Steering Committee created and charged an Ad Hoc Committee to probe the issue further, and to propose resolution scenarios.

Following is a summary of the criteria for merit-based supplements presented in the TIF grant proposal, Figure 4:

**LEAP/TIF Incentives Linked to Student Achievement and Performance
Requirements to Earn a 10% Merit-Based Supplement**

Principals/Assistant Principals

- Earn Very Effective rating on the Principal or Assistant Principal Appraisal Instruments
High School
- Obtain an End-Of-Course (EOC) school composite score of 60% or more students scoring at Level 3 or higher (as assessed by the State of North Carolina)
Elementary/Middle School
- Obtain an the End-Of-Grade (EOG) reading and math scores with 80% or more students scoring Level 3 or higher

Teachers with EOC/EOG achievement test results for their classroom (state tested grades and subjects)

All Certified Teachers

- Earn At-Standard or above ratings on all functions of the TPAI-R

High School

- Achieve High growth on EOC composite
- Achieve 60% or more students scoring at Level 3 or higher on teacher EOC composite
- Achieve 60% or more students scoring at Level 3 or higher on school composite EOC

Elementary/Middle School

- Achieve High Growth on EOG for their specific students
- Achieve 80% scoring Level 3 or higher on EOG
- Achieve 80% or more students scoring at Level 3 or higher on school composite EOG

Career Technical Education Teachers

- Earn At Standard or above ratings on all functions of the TPAI-R (Teacher Performance Appraisal Instrument-Revised)
- Achieve 60% or more students scoring at Level 3 or higher on the VoCats assessment and
- Achieve 60% or more students scoring at Level 3 or higher on school composite EOC

Teachers and other Certified Staff of subjects and levels not covered by state EOC/EOG tests

All Elementary, Middle, High School Teachers

- Earn At-Standard or above ratings on all functions of TPAI-R

High School

- Achieve school EOC composite score with 60% or more students scoring at Level 3 or higher

Elementary/Middle

- Achieve 80% or more students scoring at Level 3 or higher on school composite EOG

Statement of Issue

As indicated above, the Year 1 payout criteria is based, in part, upon a certain percentage of students achieving a designated threshold, as measured by the state assessment (End of Grade or End of Course Examination). Due to previously approved changes to the initiative that involved moving the 4 high schools to Year 3 of the pilot, only middle and elementary schools are currently included in the Year 1 pilot.

The Year 1 Payout Ad Hoc Committee, charged by the Steering Committee to address the challenge, worked with the assistance of the CMS Accountability Department and CTAC to analyze the 2006-2007 EOG results. It was determined that if the original payout criteria were in place last year, only four teachers and no principals would have achieved payout. Even with significant improvement in student achievement at the participating schools during the first year, it seemed unlikely that a reasonable number of teachers and administrators would be eligible for TIF bonuses at the end of the school year.

The Ad Hoc Committee considered scenarios that would remain faithful to the original Year 1 compensation design, creating a pathway to the goals established through the district strategic plan

for 2010, while at the same time presenting an attainable award that did not compromise the vision of the district, the Steering Committee and the LEAP Initiative.

The Ad Hoc Committee met on three occasions to develop, discuss, and review scenarios based on the original grant proposal criteria, including threshold benchmarks as defined by the state EOG for elementary and middle schools. Proposed alternatives included a revised number of students required to score at Level 3 or higher and an either/or delineation between the High Growth designation and the percentage of students scoring at Level 3 or higher. The Ad Hoc Committee also separated the math achievement from the reading achievement, once it was discovered that the state reading test is to be re-normed this year, potentially resulting in significantly lower scores on that section of the EOG.

Resolution

After analyzing the alternatives presented by the Ad Hoc Committee, the Steering Committee agreed to amend the Year 1 Payout to reflect the following criteria that includes only minor adjustments to the original design:

Principals/Assistant Principals

- Earn Very Effective rating on the Principal or Assistant Principal Appraisal Instruments
- Achieve High Growth (no more than 15% merit pay) on 80% of school composite EOG in either math or reading section
- Achieve Better than Expected Growth (no more than 10% merit pay) on 80% of school composite EOG math and reading section

Teachers with EOG achievement test results for their classroom (state tested grades and subjects)

All Certified Elementary/Middle School Teachers

- Earn At-Standard or above ratings on all functions of the TPAI-R
- Achieve High Growth (no more than 15% merit pay) on EOG in either math or reading section for their specific students
- Achieve Better than Expected Growth (no more than 10% merit pay) on EOG in either math or reading section for their specific students

Teachers and other Certified Staff of subjects and levels not covered by state EOC/EOG tests

All Elementary/Middle School Teachers

- Earn At-Standard or above ratings on all functions of TPAI-R High School
- Achieve High Growth (no more than 15% merit pay) on 80% of school composite school composite EOG in either math or reading section
- Achieve Better than Expected Growth (no more than 10% merit pay) on 80% of school composite EOG math and reading section

Had the program been in place in 2006-7 with this revised criteria, 22 teachers with EOG assignments would have attained payout for achieving High Growth in math, and 16 would have earned payout for achieving High Growth in Reading. Further, 13 teachers with EOG assignments would have attained payout for achieving Better than Expected Growth in math, and 14 would have earned payout for achieving Better than Expected Growth in Reading. Ten percent of this total represents the same teachers assigned to both Math and Reading areas, who would have been eligible for only one supplement.

In sum, had the program been in place last year with the revised criteria, a total of 65 teachers at the six Year 1 schools would have earned merit-based supplements for achieving growth. Therefore, it is reasonable to conclude that during the 2007-8 school year, improvements at those schools will lead to an increase in student achievement and more than 65 teachers might be eligible for a TIF award. This projection was deemed reasonable and appropriate by the Steering Committee, given the goals of the TIF initiative to work collaboratively with teachers and administrators to develop an effective compensation system over a five-year pilot period. The Steering Committee approved the modifications, pending US DOE approval, for the Year 1 payout.